

FINAL BILL REPORT

SHB 3149

C 236 L 08

Synopsis as Enacted

Brief Description: Changing state investment board personnel compensation provisions.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Sommers, Haler, Conway, Kenney, Fromhold, McIntire, Anderson and Darneille; by request of State Investment Board).

House Committee on Appropriations
Senate Committee on Ways & Means

Background:

The State Investment Board (Board) was established by the Legislature in 1981 to oversee the long-term investment of the state's pension, industrial insurance, and trust funds. These investments are managed by a staff employed by the Board, as well as outside investment advisors under contract with the Board. The administrative and investment expenses of the Board are paid from the State Investment Board Expense Account, which is funded from the investment earnings of the funds managed by the Board, subject to legislative appropriation.

The executive director and investment officers employed by the Board are exempt from the state civil service laws. Their compensation is determined by the Board. In 2001 the Legislature authorized the Board to establish a retention pool to grant salary increases to address recruitment and retention issues. The compensation level for the investment officers may not exceed the average paid by state funds of a similar size, based on a biennial salary survey. Each year, the salary increases granted by the Board from the retention pool must not exceed an average of 5 percent.

Summary:

The Board's retention pool is made a part of the State Investment Board Expense Account. The retention pool may be used to reward performance with incentive compensation and to address recruitment and retention problems pursuant to a performance management and compensation program developed by the Board, based on a biennial compensation survey. The compensation levels must not exceed the average total compensation paid by other public funds of a similar size. Disbursements from the retention pool are made from legislative appropriations on authorization of the executive director or a designee. The salary increase limitation is raised from an average of 5 percent to 30 percent.

Votes on Final Passage:

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| House | 73 | 22 | |
| Senate | 49 | 0 | (Senate amended) |

House 91 3 (House concurred)

Effective: June 12, 2008